(ii) *The 1929 Reforms*

The period between the 1925 reforms and the very much more radical alterations introduced into the constitution in 1929, was characterized by a steady deterioration of the internal political situation. 642 668

By 1929 dissatisfaction with the existing régime had reached a climax. It had already been found necessary to introduce six minor reforms,[1] and, as the 1920 constitution was still not working satisfactorily, desire for a more radical change began to be voiced.

The demand was put forward with the greatest insistence by members of the *Heimwehr*, who openly proclaimed their intention to be the supersession of the existing system of parliamentary democracy by a dictatorship on the general lines of the Italian model.[2]

The desire for reform was not, however, confined to members of the *Heimwehr* movement. It was, for instance, energetically sponsored by the *Landbund*.[3] The movement was also warmly supported by the vast majority of the Christian Socialists, although opinion within the party differed considerably as to what precise measures should be taken. Certain sections in the Provinces, for instance, disapproved strongly of the centralist part of Schober's programme.[4] And peasant opinion feared

[1] *Jahrbuch des öffentlichen Rechts*, vol. xviii, 1930, p. 130.

[2] 'Die Heimwehren forderten, u. fordern noch jetzt, der Ersetzung der parlamentarischen Demokratie durch eine berufsständische Organisation in Verbindung mit einer Art Führerdiktatus, ohne jedoch, diese Forderung im einzelnen zu konkretisieren.' (Kelsen, op. cit., vol. xviii, p. 1930.)

[3] The *Landbund*, however, repudiated strenuously the Social Democrats' accusation that it was working for the installation of a fascist régime. See article in the *Landbund* organ, *Die Stunde*, 20 September 1929: 'Er deckt sich in keiner Weise mit jener rein fascistischen Verfassung, die im Schosse der extremen Kreise der Selbstschutzverbände ausgearbeitet wurde, u. die mit einer vollständigen Beseitigung der demokratischen Verfassung der Republik Osterreich gleichbedeutend wäre. Der Landbund will keineswegs eine fascistische Regierungsform in Österreich installieren, er will nur in manchen, freilich sehr wichtigen Punkten, die gegenwärtige österreichische Verfassung im Sinne einer Stärkung der Staatsautorität abändern.' It seems doubtful, however, whether much reliance should be placed on this statement. The policy of the *Landbund* was a somewhat uncertain one. (See *Manchester Guardian*, 15 October 1929.)

[4] *The Times*, 19 October 1930.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

642 668 that concentration on constitutional reform might deflect attention from the need for energetic economic measures.[1] There was also a sharp division of opinion between the more moderate members of the party, led by Kunschak, who would probably have liked to see a *rapprochement* with the Social Democrats and the right-wing leaders led by Seipel.

The German Nationalists had been advocating reform for many years, as they hoped thereby to bring the Austrian constitution more into line with that of the Reich.

Most of the Social Democrats were probably not opposed to a moderate measure of reform,[2] although in their opinion disarmament was a far more pressing need.[3]

The great difficulty was, however, to reconcile the aims of the moderates of both parties with those of the extremists, who wanted rather to destroy than to reform.

642 There can be little doubt that a great deal of the disorder in the public life of Austria did lie, as Schober and his followers maintained, in the weakness of the executive. This weakness was in part the inevitable result of the particular circumstances in which the country was placed in the post-war years; economic distress, foreign control, party quarrels, certainly played their part. But all these difficulties might have been overcome, or at least would not have been felt so acutely, had it not been for inherent defects in the constitution of October 1920.

The reasons which prompted the Austrians to mistrust the power of the Government at that time have already been discussed. But, just as they did not foresee in 1920 the difficulties in which this arrangement would involve them, so in 1929 they did not fully realize to what ultimate cause those difficul-

[1] *Frankfurter Zeitung*, 14 September 1929. The Lower Austrian *Bauernbund* —one of the strongest groups within the party—was especially insistent upon this danger. The Social Democrats agreed, see *Frankfurter Zeitung*, 23 October 1929, report of a speech of Renner. 'Wir glauben nicht, aber, dass der Wirtschaft am meisten gedient wird, wenn durch einen rechtzeitigen u. raschen reformierischen Umbau unseres Staates u. unseres politischen Lebens der Keim der Unruhe u. der Spannungen entfernt wird.'

[2] *Manchester Guardian*, 9 September 1929.

[3] Renner, speech on first reading of the bill, reported in *Frankfurter Zeitung*, 23 October 1929.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

the beginning of the end, for reliance on the *Heimwehr* led almost inevitably to the crushing of the Social Democrats in 1934.[1]

The victory of the extremists was also in part a consequence of the tendency of both sides towards what may be described as party totalitarianism. This was especially the case on the Social Democrat side, for the tendency of the *Bürgerblock* to split up into small groups prevented this principle from working out so fully in their case. The Social Democrats, however, had from the beginning laid particular emphasis on the need for presenting a united front to the outside world, and had, indeed, been conspicuously successful in doing so.[2] They tried, with this end in view, to prevent the members of the party from coming into contact with people of other opinions who might influence them and draw them away from the Party orbit.[3] They therefore laboured to build up Social Democrat societies which would cover all a member's activities from the cradle to the grave. His intellectual and physical needs were all catered for within the party. The party provided him with his flat; built kindergartens for his children, organized sport clubs, literary clubs, political clubs, and social clubs for himself and his wife; took charge of his economic life, negotiating on his behalf with his bourgeois employers; and even provided burial clubs for his death. The organization of the Social

[1] It is interesting to note that Renner had drawn the attention of the party to this danger as early as 1929. He had urged that the Social Democrats should not make things too difficult for their opponents. 'Wir müssen mit unserem Bürgertum manchmal Geduld haben, auch in der Heimwehrsache.' (Speech at the 1924 Party Conference.) In 1930 he again drew attention, at the Party Conference, to this danger; although Seitz, on this occasion, spoke cheerfully of the approaching triumph of the Social Democrats.

[2] *Arbeiter Zeitung*, 9 January 1919. 'Es ist für das Proletariat weniger gefährlich, wenn es vorübergehend einen falschen Weg, aber diesen Weg einig u. geschlossen geht, als wenn es sich im Streit um den richtigen Weg spaltet. . . . Hundertmal lieber einen falschen Weg einig gehen—denn Fehler kann man dann wieder korrigieren—als um des rechten Weges willen, uns spalten.' (Bauer, at Party Conference, 1927.)

[3] It was even laid down, at the Linz Conference in 1926, that no member of the party could, without permission, carry on work which meant his appearance in public life with people who were members of other parties.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

Democratic party in Vienna[1] was as a state within a state. The members scarcely became acquainted with the real bourgeois standpoint because they had no opportunity of mixing in bourgeois society.

The *Bürgerblock* never succeeded in organizing themselves in this way to anything like the same extent, because the interests of their members were much less susceptible of amalgamation. It is true that the Social Democrats included both Communist and *petit bourgeoisie* elements and a certain proportion of peasant elements. But the interests of these groups were nothing like so divergent as those of, for instance, the peasants and the industrialists of the *Bürgerblock*, nor were they numerous enough or strong enough to exercise much influence within the party. None the less, the same tendency towards totalitarianism may be seen working out in sections of the *Bürgerblock*. The *Heimwehr*, for instance, made strenuous efforts to attract all the various groups into their orbit. Their avowed aim was the abolition of party government.[2] This policy was the subject of violent and bitter attack from the Social Democrats. But, in fact, the attitude of both sides was equally inimical to parliamentary democracy, the only difference being that the Social Democrats succeeded in uniting their party, while the *Heimwehr* split up theirs yet further.

It is easy to see that the extreme emphasis of the Social Democrats on party organization in effect nullified the proper working of the constitution just as much as the *Heimwehr* movement. For instance, although the constitution had provided specifically for the representation of all shades of opinion by detailed provisions for proportional representation, the Social Democrats deliberately aimed at the elimination of differences of opinion among the workers. In so doing, they not only prevented the normal working of the proportional representation system by transforming their party into a mili-

[1] Organization was naturally less complete in the Provinces, where the party was numerically very much weaker, 52 per cent. of the party members being Viennese. For the relative strength of the party in the different provinces, see the Party Protocol, 1925.

[2] See the Korneuberger Programme of 18 May 1930. (P. T. Lux, *La Leçon de l'Autriche, 1919–37*, p. 81.)

665 tant and educative rather than a representative group, they
668 almost made impossible the working of any form of parliamentary democracy, which must depend, in the last analysis, upon the possibility of people altering their opinions, compromising now on one issue, now on another, and moving from party to party. A rigid division between two or more groups in a state must make the whole system unworkable because a temporary majority thus becomes a permanent one, and the minority is faced with the alternative of permanent exclusion from power, or revolution. Moreover, the elaborate party structure necessary for the building-up of this totalitarian system almost inevitably places an undesirable amount of power in the hands of the party organizers, who become the real rulers of the state. This certainly tended to be the case in Austria.

In spite, however, of the fact that the party organizations, which were controlled by the more extreme elements on both sides, tended to separate the people into exclusive groups, the divergence in interests and outlook between the peasants and the workers, who formed the main bulk of the population, may easily be overestimated. It is true that the peasants were, in an overwhelming majority, conservative in their outlook, if by conservatism is meant adherence to private property. And it is true that the Social Democrats wished to substitute state for private ownership. On the other hand, the majority of the Social Democratic leaders realized from the start that they would only be able to put their theories into practice very slowly, and with great care, as far as the peasantry were concerned. The fact that conditions in Austria were entirely different from those in Russia, where the peasants had been willing to co-operate with the revolutionaries, because of their desire for land, was fully grasped. In Austria, there were comparatively few big estates, and the peasantry, although not prosperous, had a long tradition of semi-independence behind them. Any attempt forcibly to expropriate their property would have been, it was well understood, foredoomed to failure. A policy of peaceful permeation was the only feasible one. For this reason wholesale expropriation of privately

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

owned land at no time formed part of the Social Democrats' programme.[1]

On the other hand, the party was, from the beginning, acutely conscious of the necessity of extending its influence among the peasantry.[2] In 1925 an official agricultural programme was drawn up. This programme provided for the retention of peasant ownership, although the big estates were to be expropriated.[3] The Social Democrats hoped, however, by a lavish expenditure on agricultural colleges and institutes, to educate the peasantry gradually to more scientific methods of farming, which would probably, in the end, mean amalgamation of small holdings, and a greatly increased State control.[4]

The party laid great emphasis also on the need for improving the position of the smaller peasants who had suffered from the inclosure of common land[5] and the conditions of work of the hired labourers. These latter lived, as a rule, in the peasant houses—or rather, in the stables—and their standard of living

[1] Article in the *Arbeiter Zeitung*, 26 March 1919, 'Arbeiter u. Bauern'.
Bauer's speech at the Party Conference, 1925: 'Nicht mit Gewaltakten, nicht mit Gesetzen, sondern mit einem organischen Anpassungsprozess an die sozialistische Umgebung wird sich die Bauernschaft in die neue sozialistische Gesellschaft eingliedern.'
Also Bauer, *Der Kampf um Wald u. Weide*, 1925. See speeches made at 1927 Party Conference, on agricultural policy.

[2] Bauer, 'Leitsätze zur Agrarpolitik', *Kampf*, July 1921: 'Jeder weitere Fortschritt der proletarischen Revolution setzt die Eroberung stärkerer Machtpositionen in den Dörfern u. auf den Gutshöfen voraus.'

[3] The policy had been put forward in the *Arbeiter Zeitung* as early as 10 January 1919: 'Der Sozialismus will das Ausbeutungseigentum überwinden, nicht das Arbeitseigentum. Der Grund u. Boden des Adels, der Kirche, u. der Kapitalisten soll vergesellschaftet werden; der Grund u. Boden des Bauern soll sein Privateigentum bleiben.'

[4] 'Über die Tatsache, dass von einer Expropriation der Bauernschaft keine Rede sein kann, war nie ein Zweifel.' (Bauer, Party Conference, 1925.)
On the other hand, in the Linz Programme of 1926, it was envisaged that if amalgamation of property was required in the public interest, and if it was impossible to get the parties concerned to agree to it, amalgamation might be forced upon them. However, it was again laid down that 'der Sozialismus bekämpft das Raubeigentum der Herrenklassen, nicht das Arbeitseigentum der Bauern'. The peasant would, in fact, be in a stronger position than ever, after the liquidation of his capitalist creditors.

[5] The *Kleinbauernverband* was founded in 1923, and held its first Party Conference in Vienna in 1925. Membership was strongest in Lower Austria (3,500) and Kärnten (1,330).

was extremely low. The Social Democrats regarded them with great interest, as a potentially socialist element in the population, and agitated constantly for the building of separate houses for them, and for better working conditions, etc.[1] In those Provinces where hired labour formed a considerable element in the working population, the Social Democrats made good headway, but it cannot be said that their agricultural programme on the whole met with any considerable measure of success.

On the other hand, although the peasants showed a lack of interest in the abuses of women's labour, the problem of alcohol, the fate of the hired labourer, and other questions which exercised the Social Democrats, they were by far the most staunch supporters of democratic government.[2]

The hostility of men like Dr. Ender to the Viennese socialists after the war was not so much based on dislike of their democratic proclivities as on opposition to their policy of centralization. The *Bauernbund*, led by Dr. Reither, frequently protested against the reactionary politics of the Christian Socialist party leaders. And although it is true that a considerable number joined the *Heimwehr*, and later a very much larger number the Nazis, it is probable that the rank and file of the Austrian peasantry remained to the end supporters of the democratic principle.

Again, although it is true that the peasantry were, on the whole, Catholic in outlook, while the workers had drifted away from the Church, and were for the most part indifferent, if not hostile, in their attitude towards it, this divergence must not be overestimated. The lower clergy, who worked among the peasants, were very much more democratic in their views than their ecclesiastical superiors. The overwhelming majority were themselves of peasant stock and tended, therefore, to share the outlook of their flocks.[3] There were indications in 1932, for instance, that many of them strongly disapproved of the attitude adopted by their superiors towards the *Heimwehr*.

[1] See Bauer's speech on the Agrarian Programme of the Social Democrats at the 1925 Party Conference.

[2] Tyrol and Vorarlberg, in particular, looked back proudly on a centuries-old tradition of self-government.

[3] The higher clergy were also, for the most part, men of humble origin, e.g. Monsignor Seipel, Cardinal Innitzer.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

In any case, the extent of clerical influence among the peasantry can easily be overestimated. The Austrians were not prone to take their religious life too seriously; and attempts made by the Church to extend its influence outside purely religious matters were not regarded with approval.[1] Anti-clericalism had its roots far back in the past, and had antedated by many decades the challenge of the socialists and the emergence of the Nazi party.

But if the clericalism of the conservative peasantry can easily be overestimated, so can the anti-clericalism of the Social Democrats. It is true that the party were prepared to fight what may be termed 'political Catholicism' because this was considered to be a force dangerous to the party.[2] But the Free Thinkers, who were actively hostile to the Church, were very small in number, and were strongly discouraged in their activities by Bauer, Renner, and most of the other leaders.[3] And, while it is true that the rank and file of the party were passively hostile to the Church, or at least, indifferent to its claims, certain leaders, as Ellenbogen and Leuthner, stated unequivocally that they considered this a source of weakness rather than of strength, to the party, and were anxious to see a revival of religion in the ranks of the Social Democrats.[4]

[1] On 20 October 1931, for instance, the *Neue Freie Presse* drew attention to the big peasant meeting, 4,000 strong, which had taken place at S. Johann im Pongau, and remarked that the peasants had demonstrated 'nicht nur gegen die Regierung u. die Parteipolitik, sondern auch gegen die politisierenden Geistlichen'.

[2] See the report prepared by the party executive for the Party Conference at Linz in 1926: 'Die römische Kirche übt ihre grosse Macht über die Seelen der breiten Massen, die ihrer Klassenlage nach, zu der Arbeiterklasse gehören, dazu aus, um sie von der Teilnahme an dem Befreiungskampf der Arbeiterklasse fernzuhalten, u. diese Massen in der Gefolgschaft bürgerlicher Parteien zu erhalten. . . . Dadurch stützt die römische Kirche die Herrschaft der Bourgeoisie.'

[3] Speech by Renner at the 1925 Social Democratic Party Conference, when the whole question was discussed: 'Ich möchte aber das eine betonen: es ist auch in dem Staat nicht Sache der Sozialdemokratie Partei, Religion u. Kirche zu bekämpfen.'

[4] Speech by Leuthner at the 1926 Party Conference: 'Im tiefsten Grund entstehen Religionen aus dem eingebornen, ewigen, unsterblichen u. durch nichts zu unterdrückenden Drang des gesamten Menschheitsgeschlechtes nach Erklärung der letzten Ursachen der Dinge.' He registered a strong protest against the attempt of the Free Thinkers to make acceptance of their creed the *sine qua non* of socialism. Cf. with speech of Preis: 'Seine Apostel'

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

665 668 779

Otto Bauer,[1] a simple workman, organized a group within the party known as the 'Religious Socialists'. He succeeded in establishing some contacts with the more sympathetic of the clergy.[2] The hostility of the Church, however, prevented the movement from achieving any considerable success.[3]

The policy of the Church itself was not, however, at any rate for the first seven years of the Republic, as reactionary as is sometimes supposed. After the breakdown the Bishops professed unequivocally their loyalty to the Republican régime[4] and there seems no reason to question the sincerity of this declaration. In 1925 they issued a Pastoral Letter which showed marked sympathy with the claims of the working classes,[5] although they were not prepared to tolerate any compromise with the Social Democrats.[6]

After 1927, however, conditions changed for the worse in this, as in so many other respects. The episcopate had been aroused by the anti-clerical programme which had been decided on by the Social Democratic Party Conference at Linz in 1926 (in spite of protest from the moderate element

---

(Free Thinkers) 'haben an Intoleranz ungefähr dasselbe geleistet wie die Vertreter aller übrigen Religionen zusammen.' And Mentasti pointed out that opposition to alcohol and opposition to the churches meant opposition to the only forms of relaxation open to the peasants.

[1] Not to be confused with his famous namesake, one of the greatest of the Social Democrats.

[2] e.g. with Prof. Fliegler.

[3] It was condemned by the Bishops in 1930 (see Kungebung, *Des österreichischen Episkopates zur sozialen Frage*, January 1930.)

[4] See pronouncement made by Cardinal Piffl, 4 November 1918: 'Treue gegenüber der Republik.' Pastoral Letter of the Bishops and Archbishops, 23 January 1919, in defence of democracy. (Knoll, A. M., Von Seipel zu Dollfuss, 1934, pp. 44–7.)

[5] See Knoll, op. cit., pp. 48–59. 'Uber Politik, Volkswirtschaft u. Moral. Demokratie u. Neue Staatsform.' The letter inveighed against the evils of capitalism in the strongest terms, because of the lack of regard shown by its leaders for the natural rights of the workers, and their attempt to dominate public life. 'Bei Gott ist kein Unterschied zwischen der Seele der Fabrikarbeiters u. der Seele des Fabrikherrn.' In April 1926, further instructions were issued to priests, urging them to inveigh against the usurious exploitation of the workers.

[6] In April 1926, Roman Catholics were forbidden, except under special circumstances, to join Social Democratic Trade Unions, or to vote for Social Democrats. (Knoll, op. cit., p. 135, 'Instructio pro clero in re soziali'.)

in the party). And the fighting in Vienna in 1927, which, partly owing to the drastic measures taken to repress the rioters by Seipel's Government, resulted in thousands of people leaving the Church, and deflected episcopal policy decidedly to the right. Seipel, for his part, turned to the anti-working-class big industrialists for support against what he conceived to be the danger *par excellence*. The hostile attitude of the Church towards the Schober Block at the November elections of 1930 occasioned much scandal.[1]

It would, however, probably be a mistake to regard the Church as the villain of the piece even after 1927. It continued to evince great interest in social problems.[2] And although the higher clergy, and perhaps the majority of the lower clergy, regarded the *Heimwehr* movement with favour, as being a useful weapon for curbing socialist influence, they could not be very enthusiastic about a movement so deeply tinged with Nazi anti-clericalism.[3]

Although it is true that in the two main groups, the Social Democrats and the Christian Socialists, the balance of power tended to pass to the extreme wings, other important groups existed who were much more moderate in their outlook, and who stood unequivocally for democratic government. The *Landbund*, for instance, an organization supported chiefly by the more wealthy peasants led by Herr Winkler, inveighed constantly against the fascist proclivities of the Christian Socialists and the *Heimwehr*. Even in 1929, when it supported a reorganization of the state on a corporative basis, hoping thereby to secure a better representation of agricultural interests, its members emphasized the fact that the movement

[1] *Stellungnahme zu den österreichischen Nationalratswahlen*, 9 November 1930, 26 October 1930. (See Knoll, op. cit., pp. 167–77.)

[2] Lent Pastoral Letter, 1928, inveighing against low wages of women and bad housing. *Fasten Hirtenbrief der Erzbischöfe u. Bischöfe Österreichs*, 1928. (Knoll, op. cit., pp. 150–3.)

[3] In January 1930 a declaration was issued declaring that the Church could not consecrate the flags of political parties—'Politischen Vereinen ist mit Rücksicht auf die überparteiliche Stellung der Kirche die Weihe der Fahnen nicht zu bewilligen'.

See also the Lent Pastoral Letter, February 1932, issued by all the Bishops, warning the people against the Nazis.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

wanted a genuine, democratic organization, not fascism of the Italian variety.[1]

The *Bauernbund* was another peasant organization strongly democratic in its views. It represented a different section of peasant opinion, and was distinguished from the *Landbund* chiefly by the fact that it was strongly clerical in tone, whereas the *Landbund* was anti-clerical. But it was, if anything, even more staunch to the democratic principle and, from 1929 on, protested frequently against the authoritarian leanings of its wealthier counterpart.[2] Most of the peasants were organized in one or other of these groups.

The Viennese counterpart of the *Bauernbund* was the *Freiheitsbund* of Herr Kunschak. This organization was much more decidedly democratic in outlook than either of the peasant organizations, and emphasized constantly the dangers of right-wing extremism.[3]

This movement was closely associated with the Christian Trade Union movement, led by Dr. Hemala. But it was in the nature of things difficult for a Christian Socialist workingmen's organization to offer attractions to the workers comparable with those of the very much larger and wealthier Social Democratic organization. The group was on the whole disliked by both parties, and never achieved a strong position. Herr Kunschak's reiterated warnings to the Christian Socialists for the most part fell on barren ground.

Finally, reference must be made to the Schober Block, which appeared in 1930 as a group of moderate bourgeois parties, united by opposition to the fascist proclivities of the *Heimwehr* and the Social Democrats.

From this brief analysis of the structure of opinion in Austria in the post-war years, it is clear that, although forces were at work which made the successful working out of democratic

[1] At a later stage, the *Landbund* lost many members to the Nazis. And the attitude of the whole group towards this question was somewhat equivocal.

[2] Some of the local *Bauernbund* groups, however, supported the *Heimwehr*, and it is not easy to discover what proportion of the peasants were behind them. It is probable that opinion was fluctuating a good deal between 1928 and 1932.

[3] The views of this group were represented in Herr Kunschak's paper, the *Weltblatt*, a pronouncedly democratic organ.

665 668 government difficult, its roots among the people were strong. And it is just possible that had the Nazi party not appeared on the scene, and forced the Christian Socialists into a position of dependence on the *Heimwehr*, some compromise with the Social Democrats might have been found possible. But the fact that the *Heimwehr*, the only element wealthy and strong enough to provide a defence against the Nazis, was in a position of financial dependence on the Italians, who were thus in a position to dictate their terms, made the destruction of the Social Democrats almost inevitable.

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

dence with less disfavour. But the fact remains that for fourteen years, successive Austrian Governments were compelled to attempt to carry out a foreign policy which was directly contrary to the wishes of the great majority of the people by whom they had been elected. In fact, of course, the various Governments had no option in the matter; but an electorate frustrated in its dearest wish does not pause to consider the good reasons which may exist for this frustration, especially when its temper is sharpened by acute economic distress.

There can be little doubt that what the vast majority of the Austrian electorate wanted during these years was an *Anschluss* with Germany, although this desire was not always felt with equal intensity by the different sections of the population.[1]

The chief supporters of the *Anschluss* policy of 1919–22 had been the separatist peasantry of the Alpine province, who were influenced to a large extent by temporary economic considerations. After 1925 the movement derived its strength mainly from the Civil Service, the professional classes, and the industrialists. If less spontaneous, this later movement was very much better organized and, unlike its earlier counterpart, it received positive support from high places in Germany. It was the beginnings of the renascence of German nationalism.[2]

[1] In 1923 and 1924, for instance, agitations for an *Anschluss* died down, partly owing to the comparative success of the Reconstruction Scheme in Austria, partly because of the bad conditions then prevailing in Germany. After 1924, however, the agitations increased again, because, with the introduction of the Dawes Plan, conditions improved in Germany, at a time when they were deteriorating steadily in Austria, as a result of the collapse caused by the over-speculation which took place in the summer of 1924.

[2] *Le Temps*, 17 and 27 May 1925, and the *Deutsche Allgemeine Zeitung*, 26 May 1932.

The new German Nationalist movement may be said to have taken its inception from an unofficial visit paid by Dr. Dinghofer and Dr. Frank, the German Nationalist leaders, to Berlin, towards the end of January 1925. It was then decided to reorganize, on a wider basis, Professor Weltstein's committee, which had been formed in 1919, to work for the removal of the technical difficulties in the way of the *Anschluss*. The new organization, which met for the first time in Vienna on 26 February, designated itself the Austro-German Union, as the Social Democrats' Popular League had become merged in the new organization. Its members were from all parties. Various sub-committees were set up to consider such matters as the unification of teaching in the secondary schools of both countries (higher education

2: MacDonald S-4 (no date) 1946 EK1 Austria EK1

642 And large *Anschluss* demonstrations, attended by prominent
668 officials, became increasingly frequent in both countries.[1] Yet, at the same time, Ramek and his Foreign Minister, Mataja, continued throughout the year to pursue a League policy, although his Government depended on the support of the very German Nationalists who were most opposed to this, and who were among the staunchest of the supporters of the Austro-German Union organization.

The one more or less constant desire of this feckless people could thus find no outlet through ordinary political channels. And, since this desire was too strong to be suppressed altogether, expression was given to it in extra-constitutional ways. The movement thus gained that momentum which so often comes to forces which are suppressed. And the methods used accustomed the Austrian people to reliance upon extra-constitutional means for attaining their ends. Thus, as the *Anschluss* movement gained in strength, so respect for ordinary parliamentary government decreased.

642 This curious and unsatisfactory situation occasioned much
668 anxiety in France, Italy, and the countries of the Little Entente. But the sharp reactions of the interested Powers towards movements of opinion in Austria and Germany were bitterly resented in both countries. Dr. Mataja protested in May to a representative of *Le Matin* that the Powers appeared to have forgotten that they had themselves guaranteed Austrian 'independence'. It was, he pointed out, a grave psychological mistake to treat Austria as a pawn in the political game, to be bartered about to suit the convenience of Italy, France, and the Little Entente.[2]

As the work of *Ausgleichung* continued, however, it was found that the process of assimilation was not so easy as had been at

had already been unified), criminal law, agrarian reform on the German model, etc. It was hoped by these means to achieve a union *de facto* between the two countries, which would in time come to be recognized as a union *de jure*.

[1] See *Le Temps*, 6 May 1925, for an account of the Rhineland celebrations held in Vienna on 3 May.

[2] 'Ein Staat, der weder das Gefühl, noch den Stolz seiner Unabhängigkeit besitzt, kann sich nicht lange behaupten.' (Speech reported in the *Deutsche Allgemeine Zeitung*, 26 May 1925.)

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

642 The Republican Constitution approved in October 1922 was itself a handicap. It was drawn up by a coalition govetnment, in which the different views and mutual suspicions of the two parties did not make for clarity or simplicity of structure. Neither side could be described as experts in democratic practice, and the Social Democrats had an exaggerated fear of a strong executive. So the formidable political and economic problems facing the young State had to be tackled by a succession of weak governments which had no power to dissolve Parliament. As the system of proportional representation made for an even balance between the parties, a state of chronic instability prevailed. No real improvement was made in the Constitution until 1929, and even then reforms were limited to those on which the two main parties could agree, owing to the rule that any constitutional change required approval by a two-thirds majority.

665 The situation in the new Republic called for a concentration of political forces. But party feeling was such that the coalition lasted for only two years, and in the autumn of 1920 a long period of bitter and uncompromising conflict began. Attempts made on both sides to renew collaboration all ended in failure, and Dr. Renner, a consistent exponent of co-operation and compromise, had comparatively little influence.

665 668 Although universal suffrage had been introduced in the Habsburg Empire in 1907, the democratic immaturity of the Republic was revealed by the prevalent political methods. The Social Democrats first tried to establish control of the official army. When this attempt had failed, both parties organized private armies of their own, and thus showed that in the last resort they were prepared to use force as well as argument. The bad habit developed of using mass demonstrations for political purposes, an undemocratic technique, because it appeals to emotions and mass suggestion rather than to reason. Its full dangers became clear under the Nazis, but before then it had done great harm to Austrian political life. A mass demonstration in 1927 led to riots and savage repression and accentuated party antagonism. By 1934 Parliament had

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

been suspended by the Dollfuss Government and the country was on the verge of civil war. The Government's harsh and ill-considered decision to turn artillery on to the workers' dwellings may have cut short the conflict and suffering, but it was a final betrayal of democracy that no considerations of expediency can excuse.

In spite of the serious internal difficulties, it was in the end to external force that the Austrian Republic succumbed. On the 11th of March 1938 Hitler sent an ultimatum to Dr. Schuschnigg, the Chancellor. Within a few hours German troops had occupied the country and the *Anschluss* was a fact. The Austrian political parties have accused each other of preparing the way for this tragedy, but there were deep-lying causes for the growth of National Socialism and Fascism that were beyond their power to prevent. In the diplomatic circumstances of the time, even had Austria been a model democracy, it would have had no more chance of withstanding Hitler than had the courage, patriotism, and democratic example of the Czechs. As the only German country outside the Reich, Austria was the first object of Hitler's ambition. The opening page of *Mein Kampf* contains the sentence: 'German-Austria must return to the great German Mother Country'.

In fact, by 1938 the attitude of Austrians towards union with Germany had changed considerably. Inside Austria nearly twenty years of enforced independence had inevitably left their mark: the people were acquiring a sense of pride in their achievement and hope for the future. Recent developments in Germany also had had a decisive effect.

Economically Austria had made important progress. In 1918 its position seemed hopeless. But the Austrian Government and people gradually accustomed themselves to the idea that their fate was in their own hands. By 1937 the country was producing three-quarters of its food. Valuable oil-fields had been discovered at Zistersdorf, north-east of Vienna, and oil production had risen from 73 tons in 1932 to 32,849 tons in 1938. The tourist industry had developed rapidly and covered over 80 per cent of the country's trade deficit. When the

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

II

Liberation

726 THE liberation of Austria was carried out from three directions very rapidly, the whole process being completed within a few weeks. On the 29th of March 1945 Soviet troops crossed the Austrian frontier from Hungary. At the beginning of May the British entered Carinthia from Italy and the Americans crossed the German frontier into the Tyrol. By the 13th of April the Russians were in control of Vienna, and before the end of the month large areas of Lower Austria and Styria had been freed. In the south and the west the British and the Americans met with very little resistance.

The speed of the liberation was due partly to the general situation. The morale of the Nazi armies was crumbling: on the 25th of April Berlin was surrounded and five days later Hitler committed suicide. But it was due also to the attitude of the Austrian people and to the work of the Austrian Resistance Movement. They made the Allied task easy and saved Austria from much damage.

727 Resistance groups had begun to form in Austria as early as 1938. During the Nazi occupation and the War the strength of 668 the opposition was shown by the large number of soldiers and civilians executed for desertion and 'treasonable' activities. The exact number will never be known, but it was probably between 15,000 and 20,000. At the Kagran rifle-range in Vienna the shooting of deserters was on the daily programme, and the number of victims reached thirty to forty a week. A chaplain who ministered to military prisoners in Vienna counted over 1,000 executions in his own area between 1940 and 1943.

These figures indicate both the strength and hazards of the resistance in Austria.

668 To organize opposition in Austria was particularly dangerous

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

and difficult, owing to the language question. Austrians alone of Hitler's subject peoples spoke the same language as their rulers. Large numbers of Germans were therefore drafted into key positions, and Austrians not considered reliable, who had been spared the concentration camp, were transferred to Germany. So it was a risky proceeding to organize Resistance groups on a scale that could be attempted with a reasonable chance of success in France or Italy, where bilingualism was almost a necessary qualification for an informer. There was every chance that a large Resistance meeting organized in Austria, even in a remote place, would be followed by internal betrayal, wholesale arrests, and a series of executions.

Yet, in spite of formidable obstacles, a great deal was accomplished. It was not practicable to set up an elaborate organization and plan action comparable to that undertaken by the French Maquis. But large numbers of men and women throughout the country formed themselves into small groups, which in some areas developed into a loose informal network, with a capacity for co-operation varying with the general situation and the efficiency of the local Gestapo. This kept alive the spirit of resistance and led to the establishment of personal contacts that proved of great value during the liberation.

Members of the Austrian Resistance Movement developed a technique of their own, especially among the holders of administrative and staff appointments, and were thus able to make an important contribution to the common cause. Military doctors increased the length of convalescence for the sick and wounded and declared healthy men unfit for service. Censors of foreign mail suppressed information valuable to the Government and letters that might incriminate its opponents. Staff officers had the best opportunities of all. It was an easy matter for military bureaucrats to waste time intentionally, as well as unintentionally, and to think out simple and elaborate methods for reducing efficiency. Training programmes were deliberately upset. German instructors were replaced by Austrians whose political sympathies were known. During the last autumn and winter of the War a whole infantry

3; Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

division was virtually written off by staff sabotage. The division had been defeated on the Western front; its re-formation was repeatedly delayed by changes in the rendezvous and misdirection of reinforcements and equipment, and finally it was reported ready for action when its personnel was only at half strength.

Outside their own country Austrians fought with the Maquis in France and with Resistance groups in Italy. An Austrian battalion was formed as part of Marshal Tito's National Liberation Army. Many Austrians taken prisoner by the Allies asked that an Austrian fighting force should be formed to take part in the liberation of their country. But Allied consent was unfortunately delayed until April 1945, when it was too late to be of use.

During the last months of the War the enterprise and courage of a few individuals led to liaison being established between the Austrian Resistance Movement and the Allies. In the autumn of 1944 messengers with forged papers travelled to and fro between Austria, Switzerland, and North Italy. During October and November the Provisional Austrian National Committee, known as POEN, was set up in Vienna with its secret communications centre in the Grand Hotel, in order to provide a representative political organ through which the military Resistance Movement could make contacts abroad. After about four months most of its members were arrested by the Gestapo and the organization was destroyed. But not before it had fulfilled a valuable function. In February 1945 a representative of the Austrian Resistance went to Paris and established relations with the Allied General Staff, the French Foreign Ministry, American and British diplomatic representatives, and Russian liaison officers. He told them about the activities of the Resistance Movement and the existence of POEN, and asked them to give recognition to POEN, appoint liaison officers, and supply weapons and radio sets for the Resistance. The reactions of the Allies varied. The British showed caution, and the Americans were more ready to give practical assistance. Two American liaison officers were

3: Hiscocks G74, 5 (1946-1949) 1953 EK1 Austria EK1

appointed, and two radio sets were smuggled across the frontier for use at Innsbruck and Salzburg. It was also arranged that the B.B.C. and the Voice of America should broadcast for POEN and the Austrian Resistance Movement.

In March, Fritz Molden, a young Austrian who had played a leading part in establishing relations with the Allies, visited the Allied Air Headquarters at Caserta. He took with him an appeal from the Resistance Movement, asking the Allies not to bomb civil objectives in Austria and pointing out that restraint on this point would make the task of the movement in organizing opposition easier. The Americans gave Molden, as the representative of POEN, the status of a special liaison officer with their forces in Italy.

The last Nazi effort to mobilize forces for the defence of Austria was the calling out of the *Volkssturm* in the autumn of 1944. This *levée en masse* of those that remained was doomed to failure from the start. All able-bodied men of military age had already been conscripted, and the hurried mobilization of the young, the old, and the unfit could only have succeeded had they been filled with a spirit of devotion to the cause. But this was almost entirely lacking. Drill and training in most cases were not taken seriously, often as the result of tacit understanding between officers and men. An Associated Press report from Buchs on the Austro-Swiss frontier towards the end of March 1945 estimated that 60,000 Austrians had fled to the hills to avoid the new form of service. During the liberation campaign that followed, not only members of the *Volkssturm* but whole units of the *Wehrmacht* under Austrian officers broke up and went home, changing their uniforms for civilian clothes. In these circumstances, Hitler's Wagnerian plan for a last stand in his 'Alpine fortress' at Berchtesgaden was abandoned. He chose for the final scene Berlin, where the details were less likely to escape his control.

In the brief battle for Vienna the general attitude of the population had a decisive influence. A group of army officers, led by Major Biedermann, who had established contact with the Russians, were betrayed and executed soon after fighting

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

668
726

began. But this tragedy did not change the mood of the people. They were impatient for liberation, and many were prepared to do all they could to hasten it. Shortly before the Russians arrived, a meeting of the Resistance was held to consider the final plans, and its decisions were put into action successfully. The SS were hampered in every way; deserters were helped, and service in the *Volkssturm* was refused. Thousands of civilian suits were provided for troops, who were then given refuge in cellars. Even the Gestapo put the number of deserters at more than 10,000, and other estimates were much higher. Members of the *Volkssturm*, who were described by an observer as looking old and apprehensive, often threw away their weapons, if they could do so with safety. One army officer issued rifles from his store to members of the Resistance, who in turn opened fire on the SS at the barricades.

The Nazi leaders had planned a fanatical defence of 'fortress Vienna'. But in one of his last broadcasts Goebbels described the city as a stain on the German escutcheon. On the 13th of April, the day when the battle ended, Moscow radio announced that the Viennese had saved the honour of Austria and gained immortal merit by the part they had played in the liberation.

Apart from the few days' campaign in Lower Austria that preceded the battle for Vienna, there was much less fighting in the Austrian provinces than there had been in the capital. In Styria and Carinthia members of the Resistance took up arms at the end of March, but events in those provinces had little effect on the fate of Austria. The city of Salzburg was spared the possibility of serious damage by the action of the senior army officer in the city, who penetrated the American lines and surrendered on his own authority. In the Tyrol there was also little actual fighting, but the Resistance Movement was more highly organized than in any other part of the country.

The independent spirit of the Tyrolese had led to the formation of Resistance groups at an early stage in the Nazi occupation. The mountainous character of their countryside and its long, secluded valleys made it a comparatively easy matter for the groups to maintain themselves on a purely local basis.

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

By the spring of 1945 there were more than twenty of them in existence. When Dr. Karl Gruber, the present Foreign Minister, arrived in Innsbruck from Berlin at the end of the first week in April, a number of groups chose him as their common commander, and he set about co-ordinating their activities. Gruber established his headquarters successively in a sanatorium, a café, and the premises of a mineral-water business. As he had been working as an engineer in a Berlin radio firm during the War, it was comparatively easy for him to establish wireless communication with the French and American armies. Under his unified command the Tyrol Resistance gained in confidence and strength.

A series of smaller actions culminated in the capture of a German general's headquarters on the Hungerburg, just outside Innsbruck, and in the occupation on the 2nd of May of a barracks inside the city which contained a large supply of weapons and ammunition. For about twenty-four hours before the Americans arrived, on the 4th of May, the greater part of the Tyrol was in the hands of the Resistance. This had the result of reducing destruction to a minimum and saving the all-important bridges.

With the moral support of the great majority of Austrians and the active help of the Resistance, the military task of the Allies in Austria was soon accomplished. But it was by no means the only problem that confronted them as liberators. The very speed of the campaign and the thoroughness of the Nazi defeat brought with them special difficulties.

Many Nazi officials left Vienna in a hurry and a spirit of reckless, indignant despair. Part of the German artillery had had no ammunition since leaving Hungary, and in spite of the exhortations of Goebbels and Himmler, those in authority realized the hopelessness of the military situation. They therefore took what they could from their stores and, when possible, destroyed or damaged what was left. Thus the Germans set an example of looting and wanton destruction, which was continued by the Russians and the Austrians themselves.

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

National Socialism. . . . No one of good will should find his way back to the democratic community barricaded.' But under the vigilant eyes of the Allied Control Commission the Austrian Government was not able to carry out its denazification in its own way. The penalties of fine, disappropriation, and exclusion from office that were imposed were not always unduly severe, but they were applied in a mechanical, inflexible way that was perhaps inevitable, but caused hardship in individual cases, both to Nazis and to some of their original victims. This produced a hardened and embittered element in Austrian society. Reinforced by German-speaking refugees from Czechoslovakia and Eastern Europe, some of whom acquired Austrian citizenship, it provided the hard core of the new opposition to Government policy.

On the other hand, it would be misleading to suggest that the opposition was mainly negative in its attitude or Nazi and refugee in its origin. The new parties contained men of patriotism, originality, sincerity, and courage. Their programmes were a stimulating influence. Even the numerically insignificant Democratic Union, with its forlorn belief in diplomatic neutrality, was directed by the fertile intellect of Professor Dobretsberger, an ex-Minister and distinguished economist. The Union of Independents included able and constructive thinkers as well as the negative and less desirable elements.

The most significant of the new political movements was the Youth Front, which was started by a group of young politicians sympathetic to the People's Party. It was impatient of the leadership and critical of the organization of the party, although affiliated to it. The result of the presidential election seemed to justify the Youth Front's criticisms, and its members became more outspoken. In the summer of 1951 it was repudiated by the party, and shortly afterwards came to an end.

Though the Youth Front's existence was brief it showed a phoenix-like persistence. In November 1951 its leaders joined with some of Dr. Breitner's supporters and other kindred spirits to form the 'Action for Political Renewal'. The following spring discussions started between the 'Action' and the

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

more moderate and positive elements in the Union of Independents, which led to the formation of a common Working Committee and the decision to fight the next election with a joint programme.

This new opposition was impatient of the leadership of the two main parties. It was determined to provide an alternative programme that would rival Communism in the effectiveness of its appeal and at the same time reflect the Austrian dislike of a totalitarian society. It accused the older parties of living in the past and failing completely to win the devotion of youth. It attacked corruption, bureaucracy, political indifference, and the place-seeking of the *Proporz* régime. It favoured free enterprise, a more personal system of political representation, and a dynamic society free from privilege of birth and property. Whether its claims to provide something better than existing creeds are justified, time and its own political record will show. It was, at any rate, a healthy sign that the different groups should come together in a common constructive effort and that the purely negative elements should lose weight.

In the autumn of 1952 a serious difference of opinion arose on economic policy between the People's Party and the Socialists, and on the 23rd of October the Government resigned. At President Körner's request it consented to remain in office until the following February, when it was agreed elections should be held.

In these elections the Socialists gained 6 seats, 3 from the People's Party, 2 from the Right-Wing independents, and 1 from the Communists. Though they had 73 seats to the People's Party's 74, they actually obtained 36,842 more votes. The serious increase in unemployment during the winter contributed to this result, as one of the main points in the Socialist programme was the maintenance of employment. The elections were a setback for the opposition. The Union of Independents, who had fought the campaign with the Action for Political Renewal, polled some 16,000 less votes than in 1949. The Democratic Union lost its identity and many of its

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

XIII

The Communist Challenge

665
668

AFTER their defeat in the elections of 1949 the Austrian Communists could have little hope for their future as a parliamentary opposition. But in neighbouring Soviet satellite States Communist minorities had obtained power by force, misrepresentation, and ingenuity. Such methods had possibilities for the Austrian Communists themselves. An opportunity for experimenting with them was not long in presenting itself.

In the summer of 1950 there was much discontent in Austria. The Third Price–Wage Agreement had imposed all-round sacrifices but failed to stop inflation. The cost of living was rising again, and was bound to rise still further. On the 22nd of September, after weeks of severe bargaining, the Fourth Price–Wage Agreement was approved by the Government, the trade unions, and representatives of industry and agriculture. It was a compromise that none of the negotiators liked. The people as a whole had lost faith in such agreements.

The Communists chose this time to try out their new methods and challenge the Government's authority. Two weeks of crisis and disorder were the result. The immediate aim was a general strike. The pattern of activity was everywhere very much the same. The terms of the new Agreement were grossly misrepresented, and workers were called upon to strike in protest. Force was used to undermine trade union authority and disorganize public services. Railways, roads, and tram-lines were blocked. Rumours were put about of sympathetic forces in reserve. Czech troops were said to be ready at the frontier. The Communist Party's slogan, 'It is only 60 kilometres to the People's Democracies', acquired a new and sinister meaning.

In Vienna the main disturbances occurred on the 26th of

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

September, backed by unscrupulous propaganda through the radio and the Press. Tram services were obstructed, and some of the main railway lines to the provinces were temporarily blocked. Flying squads made raids on gas works, power-stations, and other vital points. The trouble culminated when thousands of strikers from USIA factories, having been taken to the centre of the city by lorry and bus, assembled with others in a crowd 6,000 strong before the Federal Chancellery in the Ballhausplatz. They listened to speeches by Ernst Fischer, Franz Honner, and other Communist leaders, and demanded that the Chancellor should receive a deputation immediately. Dr. Figl, who had remained in his office, refused to grant an interview under pressure, but agreed to see the deputation the following day. Soon afterwards the crowd began to disperse. In the course of the day there were some unpleasant episodes between the Communists and the police, and the task of the police was made much more difficult by the fact that the Soviet authorities refused to allow reinforcements to be moved from Russian districts to other parts of the city.

On the morning of the 27th the Chancellor, in the presence of the Vice-Chancellor, received the demonstrators' deputation and promised to refer their grievances to the Cabinet and the Trade Union Federation. But after the 26th the most critical moment was past. The trade unions had had time to counter with sober facts the wild rumours regarding the terms of the new agreement. When the Viennese workers had an opportunity to consider the real issue, the great majority of them remained loyal to their chosen leaders and rejected the Communist bait.

In the provinces, apart from isolated cases in Salzburg, the main trouble occurred in Upper Austria, Lower Austria, and Styria. The chief industrial centres in Lower Austria and Styria were in varying degrees affected. In Graz a number of Communist leaders smuggled themselves into trade union headquarters and tried to organize strikes by telephone in the name of the provincial trade union authorities, until this typical piece of deception was brought to an end by the police.

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

665
668

In Upper Austria the position was aggravated by the presence of a high proportion of discontented refugees and displaced persons amongst the industrial workers and by the strength of the Union of Independents in some of the Works Councils. One of the biggest and longest strikes took place in the Steyr works of the Steyr-Daimler-Puch Company. In the Works Council of VÖEST, fourteen out of twenty-eight members belonged to the Union of Independents and two more were Communists, while additional agitators were sent there at the critical moment from Vienna and Lower Austria. As a result, Linz was one of the worst trouble centres in the whole of Austria.

On the 26th of September the workers of VÖEST and five other Linz concerns, together with the tram-drivers and conductors, went out on strike. About 15,000 demonstrators assembled on the main square, and some penetrated to the Mayor's office in the Town Hall. Officials of the Communist Party and Union of Independents then made speeches from the Town Hall balcony. The next day 1,000 strikers assembled before the Chamber of Workers' building, and some forced their way inside. They seized the seventy-six-year-old President of the Chamber, pushed him on to the balcony, and forced him to resign by threatening to throw him into the street.

For a day or two the situation was really dangerous. At Linz the Danube is the boundary between the American and Russian zones, and it was clear that the proceedings were being organized from the Russian side of the river. Firm action by a joint committee of the city and provincial authorities led to order being restored. Police reinforcements were brought in from the country, and the workers' elected leaders reasserted their authority. Within a week the strikers had all returned to work. Even the Union of Independents, which had been partly responsible for the trouble, sent a representative to the joint committee's meetings.

Between the 26th and 30th of September about 120,000 workers went on strike, including 40,000 employed by USIA,

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

who had little freedom of choice. This was only about 8 per cent of the total number of industrial workers. But, in spite of the failure of their first offensive, the Communists made open preparations to renew the attack. On the evening of the 27th of September, when most of the strikes had already petered out, the order was given to the workers by radio to return to work the following day but await the decisions reached by the All-Austrian Shop Stewards' Conference, which was to meet on the 30th of September.

This Conference was a purely Communist idea, and duly met in Florisdorf, a suburb of Vienna in the Russian zone. Its purpose was to give to future Communist action an appearance of approval by workers' representatives on a national scale. But it in no way represented the workers as a whole, and the Trade Union Federation called upon its members not to attend. Most of those who appeared at Florisdorf chose themselves and were adherents of the Communist Party or League of Independents, some of them shop stewards and some of them not. The conference declared that unless the Government dropped the new Price–Wage Agreement by the 3rd of October a general strike would begin on the 4th. Some seductive but quite impracticable proposals were put forward as an alternative to the Agreement.

The Government and the trade unions took their own measures to prepare for the future and settle the past. The Trade Union Federation and the Socialist Party, in announcements to their members, dissociated themselves from the Communist action and made clear that the Communist statements about the Price–Wage Agreement were deliberately untrue: the real issues at stake were democracy and freedom. The Government suspended members of the police force who had failed in their duty, threatened to expel from the country any *Volksdeutsche* who assisted the trouble-makers, and called on the police to maintain order and stand firm against threats. A call to the Austrian people issued by the Government on the morning of the 3rd of October contained the following passage:

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

668 'Defend the freedom of the country. Do not allow yourself to be intimidated by acts of violence. The power of the State is sufficient to check terrorist action at the start, so no one should yield to Communist pressure.'

727 668 In the Allied Council on the 29th of September the United States High Commissioner, who was in the chair, accused the Soviet element of having contributed to the recent disorders and lawlessness by encouragement and aid. He charged the Russians, amongst other things, with the following specific acts, violating quadripartite agreements: transporting rioters about Vienna in Soviet Army vehicles; blocking a railway line by means of a Soviet tank; interfering with the maintenance of law and order by stopping the movement of police, and preventing the police from checking rioters at St. Pölten railway station through the intervention of a Soviet official. The British and French representatives supported the American charges. The Soviet Deputy High Commissioner, in rejecting them, made the curious but typical statement that the unrest had been due to the indignation and bad living conditions of the Austrian workers resulting from the Marshall Plan.

665 668 Before the 4th of October it was already clear to the trade union leaders that an overwhelming majority of workers was opposed to a general strike. The Socialist Party had called conferences of Socialist shop stewards in all parts of the country, and their opinion on the subject was almost unanimous. Outside Vienna and the Russian zone the only strikes that occurred were at Hallein in Salzburg, and at the Steyr works in Upper Austria, where the workers had been out since the 26th of September. In Vienna itself there was scarcely a single strike of importance outside the USIA organization, though the news that thirty censors had stopped work at one of the post-offices caused some unexpected satisfaction. This did not prevent the Communist Strike Committee from announcing publicly that the strike in Vienna was practically complete. More serious were the organized attempts at blocking tramways and railway lines and erecting barricades and traffic obstacles in the streets. These were only mastered

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

because the great mass of the people were on the side of law and order and turned against the Communist gangs that were trying to cause trouble. On the evening of the 4th of October Burgomaster Körner called on the Russian Military Commander and complained of what was happening. The commander replied that he was against interference in Austrian internal affairs on principle and opposed to the use of force by either side.

The worst trouble occurred in the Russian zone. Even here the number of strikers was comparatively small. In fact the total for the whole of Austria on the 4th and 5th of October was about 35,000, in addition to 40,000 USIA workers, not all of whom went on strike. But in the industrial centres of Lower Austria terrorist methods were employed. The Soviet authorities interfered with the police; railway lines were blocked; public services were threatened, and gangs of Communists used force and intimidation to compel workers to strike.

The most serious events occurred in Wiener Neustadt. There the terrorist methods against industries had only a limited measure of success, some of the workers, especially in the radiator factory, showing great spirit under attack. But the situation became critical when the Communists seized the post-office and telephone exchange. The city is in the heart of the Russian zone, only twelve miles from Soviet Military Headquarters, and the local police were not strong enough to restore order on their own. After understandable hesitation, the Minister of the Interior made the bold decision to send reinforcements from Vienna, and with this strengthening the police restored order and regained control of the post-office. The local Russian commander then intervened, ordering the restoration of the *status quo* within ten minutes and the withdrawal of the reinforcements. The position was finally righted by the general course of events.

Apart from Wiener Neustadt the Communist action throughout Austria had collapsed by the evening of October the 5th. The Florisdorf Conference decided that the strike

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

665 should come to an end on the 6th, but its decision had been
668 anticipated by the Austrian workers.

668 With commendable speed and determination in defence of
727 its rights, the Government sent a note to the Allied Council on the 5th of October, complaining of the Russian action in Wiener Neustadt. On the same day the Foreign Minister despatched a telegram in a similar sense to the Foreign Ministers of the four occupying Powers. The three Western Allies replied with notes in which they expressed their sympathy with the Austrian Government's point of view and their approval of the measures it had taken. They later made official protests to the Government of the Soviet Union.

668 The Government also issued a proclamation in which it thanked the Austrian people for defending their country by their courageous attitude and for proving to the world that Austria would never become a 'People's Democracy'. On the 6th of October a demonstration took place in Wiener Neustadt, where 20,000 people celebrated the victory over Communism and were addressed by the Minister of the Interior and the Minister of Justice, who travelled down from Vienna especially for the purpose. The following day Burgomaster Körner and President Böhm of the Trade Union Federation attended another large victory demonstration before the Vienna Town Hall.

727 There are two questions that arise in connexion with the
668 whole series of disturbances. What was the Communists'
665 real intention? And how far did they receive Russian support? The answer to the second question throws light on the problem raised by the first.

There is no doubt that the accusations of the United States High Commissioner against the Soviet Element were justified. At the same time there was some truth in the reply of the Russian Military Commander in Vienna to the Burgomaster's protest. That is to say, the Soviet authorities wanted to ensure that the Communists had full scope for their activities, and were prepared to take limited measures in their support, such as making vehicles available and preventing movements of the

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

police. But they did not intend to give active aid to the demonstrators, and it is likely that such instances of it as occurred were due to the over-enthusiasm of individuals. Many people were injured in the disturbances and two men died of shock. Yet there was not a single case of violent death throughout the whole period of crisis. Such a result would have been inconceivable had the Soviet forces been active in support.

It is probable, therefore, that the Communist intention was to exploit popular dissatisfaction in order to bring about a general strike and, by so doing, to get control of the trade union movement. Had this intention been fulfilled, some modification in the Government might have followed, and the way would have been prepared for a further advance. The ultimate aim of the Communists, in which they could count on Russian support, was to turn Austria into a 'People's Democracy'. The 1950 action was a preliminary trial of strength.

The fundamental reason for the Communist failure was the Austrian people's attitude. But effective leadership and organization also played a vital part. Dr. Figl and Herr Helmer, the Minister of the Interior, were at their best at such a time. The Government acted with energy, courage, and persistence. The police, as a whole, were efficient, good-tempered, and loyal. The employees of the threatened public services were disciplined and reliable. Most important of all, the trade union leaders were unwavering in their attitude, and the great mass of the workers responded to their call. It was a fine proof of statesmanlike maturity that, in face of the Communist threat, the trade union movement stood staunchly by the Price–Wage compromise that none of its members really liked.

The Communist challenge had two important results. In spite of its failure, there had been a real trial of strength between two rival ideologies. The Communists had in their favour the initiative, the choice of time, and uncertainty regarding the extent of Soviet support. The victory of the Government and

3: Hiscocks G-4, 5 (1946-1949) 1953 EK1 Austria EK1

668
665

the trade unions increased the authority and confidence of both. In self-defence they took measures on which they had never ventured before, and their success strengthened their courage and resolution for the future.

Even more significant was the revelation of Communist aims and methods. The Austrian people were given a full-scale demonstration of tactics about which most of them had previously only read. The difference between Russian and Western conceptions of democracy and freedom was made clear beyond any doubt. If a small minority could cause so much trouble by employing the Communist technique, for the sake of Austria's freedom and independence it was imperative that the minority should not be allowed to grow. Since the excesses of the Russian troops immediately after the War nothing within Austria has done more than the events of September and October 1950 to bring Austria closer to the West.

AUSTRIA'S ECONOMIC DEVELOPMENT

131 721 democratic neighbours, is therefore an essential condition for checking Germany's "*Drang nach dem Osten*" in the future. Indeed, if the Austrian state had not existed it might have been necessary to invent it.

721 642 Fortunately, no such invention is needed. The events which have taken place in Austria in the days of liberation, and since, testify to the ardent desire of most Austrians to rebuild their country on a firm, independent, and democratic basis. Austrians from all sections of society took part in the armed expulsion of the German occupationists. The liberating armies in the east and in the west were everywhere greeted with joy. For the first time in Austria's history, there is a spirit of unity and common purpose among all democratic Austrians. This has enabled them to form in a surprisingly short space of time a truly representative government, free trade unions, a progressive youth movement, and other democratic bodies which have made a bold start in rebuilding the shattered political and economic fabric. Remnants of Nazi cells and of Nazi ideology have certainly survived and remain to be dealt with. But there is no doubt that the vast majority of Austrians have been cured of any illusions they may have entertained about the necessity or desirability of an *Anschluss*.

• [648]

433 This is a very welcome fact. It is, indeed, an essential condition of any democratic revival. But it is not, by itself, sufficient. As the Moscow Declaration rightly indicates, the creation of satisfactory economic conditions is essential if stability and peace in that area are to be secured. And it is on this score that some people, who are otherwise entirely in favour of Austrian independence, begin to raise their doubts. They remember the prolonged controversies after the last war which centred on this very point: whether the new Austrian Republic would

THE SHADOW OF GERMANY

Austria was in great need of "free currency", the Alpine refused orders from England and other countries, and sent its whole output to Germany, in spite of the clearing debts which had accumulated there. Ultimately the behaviour of the directors became so hard to distinguish from high treason that the Austrian Government put a Government Commissioner in charge of the firm. But it was too late. A few weeks later the policy which the directors of the Alpine had backed all along was fulfilled—Austria was occupied by Germany.

Direct ownership and control were not the only means by which the Germans exerted their influence in the economic affairs of Austria. Recent investigations by the American Anti-Trust Division have shown how, over a long period, German combines used international cartels in order to increase Germany's economic war potential.[3] If powerful monopolistic concerns in Britain and the United States could be induced to act against the interests of their own nation it is clear that the Germans had much easier play as far as Austria was concerned.

Cartelization was a widespread feature of Austria's industrial structure. The wide ramifications of industrial investments of the major banks greatly smoothed the way for trade agreements, mergers, etc. Many of these cartels worked in close agreement with their German counterparts. Owing to their much greater financial strength the German firms had the decisive say in directing cartel policy. In their desire for high and safe profits the Austrian cartel members not only damaged consumers through their restrictionist policies; they also betrayed the economic and political interests of their country in favour of Germany.

These direct economic influences were supplemented by other, more subtle, methods. From the day of the

[CR CATEGORY 116, P. 91 — ANALYST]

AUSTRIA'S ECONOMIC DEVELOPMENT

establishment of the Austrian republic onwards, German circles and their Pan-German friends in Austria conducted a propaganda drive against the country's independence, mainly on the argument that it "could not live". Diplomatic pressure was also used to prevent close economic co-operation between Austria and the Danubian states. Finally, there was the abortive attempt to establish a customs union in 1931.

On Hitler's rise to power the political and economic pressure on Austria was greatly intensified. Germany's trade drive in south-eastern Europe, for instance, was not only directed towards the economic and political domination of that area but also served to deprive Austria and Czechoslovakia of their natural export markets. There were also a number of direct attempts at injuring Austria's economy, among which the "Tausend Mark Sperre" was an important example. In 1933, a tax of RM. 1,000 was levied on every German wishing to go to Austria. This move was to deprive Austria of an important source of income and to spread discontent among certain sections of the population. Actually, the attack failed completely as the absence of the German tourists was more than made good by the huge increase in visitors from other countries.[4]

There were many other "subversive" economic activities designed to undermine Austria's independence and power of resistance to the Nazis. Austrian films, which largely depended on the German market, could be exported there only if they were produced in conformity with German racial legislation. Authors could get their books published in Germany only if they held pro-Nazi views. German-controlled firms in Austria employed salesmen whose job it was to spread Nazi propaganda in addition to selling their goods. In short, the economic

[CA CATEGORY 116, p. 91 -- ANALYST]

9: Rothschild E-4, 5 (no date) 1947 EK1 Austria EK1

Fifth Column was a powerful weapon in Germany's arsenal for her attack on Austria's independence.

AFTER THE ANNEXATION

The economic implications of the occupation of Austria were as little appreciated at the time as its political and strategic significance. In fact, Germany's war potential was greatly strengthened as a result. Austria's iron ore, magnesite, timber, electric power, etc., afforded valuable relief to Germany's war industry which was beginning to run short of raw materials. Austria also provided a source of skilled manpower which could be harnessed to the growing efforts of the German war economy.

Moreover, the gold and foreign exchange reserves found in the Austrian National Bank were of great immediate importance in helping Germany to build up emergency stocks for the coming war. Heavily indebted to her clearing partners, Germany had found it increasingly difficult to obtain foreign exchange for even the most essential raw material imports. The gold reserve of the Reichsbank had fallen to the extremely low level of RM. 76 million. They were now able to lay their hands on a gold reserve of more than 420 million schillings, or roughly RM. 200 million. Moreover, Austria had at that time some 200 million schillings of clearing balances to her credit (mainly from Germany and south-eastern Europe). Thus Germany was, at one stroke, rid of the problem of paying Austria and was able, with the help of Austria's claims, to settle her long-standing debts in the Balkans.

Finally, the occupation of Austria enabled Germany to outflank Czechoslovakia's strategic defences, and opened the road towards the east. The economic encirclement of eastern Europe was also complete. The Balkan countries had become dangerously dependent on trade with